

## Message Text

PAGE 01 STATE 264779  
ORIGIN EUR-12

INFO OCT-01 ISO-00 PM-05 H-02 INR-07 L-03 NSAE-00  
PA-02 PRS-01 SP-02 SS-15 SSO-00 INRE-00 CU-06  
DHA-05 CPR-01 /062 R

DRAFTED BY EUR/EE:THGERTH/RN -S/PRS TEXT  
APPROVED BY EUR/EE:EWSCHMIDT  
EUR/P:FSEIDNER

-----081135 050543Z /17

O 050206Z NOV 77  
FM SECSTATE WASHDC  
TO AMEMBASSY BUDAPEST IMMEDIATE  
JCS/DOD  
CIA  
NSC  
USIA

UNCLAS STATE 264779

E.O. 11652:N/A

TAGS: PGEN, HU, US,

SUBJ: THE CROWN OF ST. STEPHEN -NOV 4 PRESS BRIEFING  
AT STATE AHD FOLLOW UP Q AND A  
Q: THIS MORNING, IN THE HOUSE, A CONGRESSPERSON, MARY ROSE  
OAKAR, DEMOCRAT OF OHIO, TRIED UNSUCCESSFULLY BY LEGISLATION  
TO PREVENT THE RETURN OF THE HUNGARIAN CROWN JEWELS, AND  
SHE SAID DURING THE COURSE OF THE LIMITED DEBATE BEFORE  
MR. ZABLOCKI KILLED HER LEGISLATION, BY OBJECTING -- HE  
TOOK A SINGLE OBJECTION -- SAID THAT THE STATE DEPARTMENT  
HAD GIVEN ASSURANCES THAT MISLEAD ME AND MISLED THE VARIOUS  
FEDERATIONS, MEANING HUNGARIAN-AMERICAN FEDERATIONS, ON THIS  
VERY ISSUE, THAT SHE HAD ASSURANCES FROM THE STATE DEPART-  
MENT THAT THE JEWELS WOULD NOT BE RETURNED. IS SHE WRONG  
ABOUT THAT?  
UNCLASSIFIED

PAGE 02 STATE 264779

A: BARRY, I WAS NOT AWARE OF THIS MORNING'S EVENTS THAT YOU  
DESCRIBED, BUT MY UNDERSTANDING WAS THAT SHE HAD SAID  
EARLIER THAT SHE HAD BEEN TOLD LAST APRIL BY THE STATE DE-  
PARTMENT THAT THERE WERE NO PRESENT PLANS TO RETURN THE  
CROWN. I WOULD JUST POINT OUT THAT OUR REVIEW OF OUR RE-  
LATIONS WITH HUNGARY BEGAN ONLY IN LATE SPRING. OVER THE  
LAST SEVERAL MONTHS, WE DISCUSSED THE RETURN OF THE CROWN  
WITH MANY CONGRESSMEN AND MANY LEADERS OF THE HUNGARIAN-  
AMERICAN COMMUNITY, AND IT IS OUR FEELING THAT THERE IS

WIDE SUPPORT TO RETURN THE CROWN TO HUNGARY.

Q: JOHN, LET ME GO BACK TO MY QUESTION BECAUSE I DON'T THINK YOU REALLY ANSWERED IT. FIRST OF ALL, IS SHE CORRECT, WHENEVER THE EVENTS OCCURRED, IS SHE CORRECT AT SOME POINT -- LAST APRIL, IF YOU LIKE -- THAT THE STATE DEPARTMENT GAVE ASSURANCES THAT THERE WOULD BE NO RETURN OF THE CROWN JEWELS?

A: I DON'T THINK SHE IS CORRECT AS OF LAST APRIL, BARRY. AS I SAID, I THINK WE BEGAN OUR REVIEW OF HUNGARIAN-AMERICAN RELATIONS WHICH INCLUDED THIS PARTICULAR ASPECT ONLY IN THE LATE SPRING. HOWEVER, I WOULD HAVE TO CHECK THAT FOR YOU TO SEE EXACTLY WHAT WE TOLD HER.

Q: ALL RIGHT, WE'LL LEAVE HER OUT OF IT. DID THE STATE DEPARTMENT GIVE ASSURANCES AT ANY POINT IN RECENT HISTORY THAT THE CROWN JEWELS WOULD NOT BE RETURNED TO HUNGARY? IF THEY GAVE THOSE ASSURANCES, WHAT CAUSED THE STATE DEPARTMENT TO CHANGE ITS MIND? AND WHEN YOU SPEAK ABOUT "WIDE SUPPORT" FOR RETURNING THE JEWELS, ARE YOU INCLUDING THE HUNGARIAN-AMERICAN COMMUNITIES WHO, AS FAR AS I CAN TELL FROM UNCLASSIFIED

PAGE 03 STATE 264779

THE DEBATE, THINK, AS ONE CONGRESSMAN SAID, RETURNING THE JEWELS TO THE ATHEISTIC BUTCHERS OF BUDAPEST IS SORT OF A BAD THING TO DO? IF YOU COULD ADDRESS THOSE THINGS IN A RESPONSE, SINCE IT'S FRIDAY, WE WON'T KNOW ABOUT IT TILL MONDAY.

A: I'LL TRY TO ADDRESS ONE OF THEM NOW. FIRST OF ALL, I DO MEAN THE HUNGARIAN-AMERICAN COMMUNITY TO BE INCLUDED IN THE FEELING THAT THERE IS WIDESPREAD SUPPORT FOR THE RETURN OF THE CROWN. WHETHER OR NOT WE EVER SAID TO ANYONE THAT THERE WERE NO PLANS TO RETURN IT IS SOMETHING, BARRY, THAT I'LL HAVE TO BACK AND LOOK UP AND CHECK SPECIFICALLY FOR YOU. BUT LET ME MAKE A COUPLE OF POINTS, AS LONG AS WE ARE ON THE SUBJECT. A DETERMINATION TO RETURN THE CROWN TO HUNGARY WAS ARRIVED AT AFTER A REVIEW OF WHAT WE CONSIDER THE POSITIVE DEVELOPMENT OF UNITED STATES-HUNGARIAN RELATIONS AND ON OUR BROADER FOREIGN POLICY INTERESTS. WE THINK THAT THE MOST IMPORTANT NATIONAL SYMBOL OF HUNGARY BELONGS TO THE HUNGARIAN PEOPLE AND OUGHT TO BE RETURNED TO THEM.

THE PRESIDENT DETERMINED THAT THE RETURN OF THE CROWN AT THIS TIME WOULD SUPPORT OUR FOREIGN POLICY OBJECTIVES BY RESPONDING TO THE INDIVIDUAL NATIONAL ASPIRATIONS OF THE HUNGARIAN PEOPLE BY FOSTERING THE SPIRIT OF THE HELSINKI FINAL ACT AND BY IMPROVING RELATIONS WITH HUNGARY.

GETTING BACK TO BARRY'S POINT THAT THE QUESTION OF SUPPORT WITHIN THE HUNGARIAN-AMERICAN COMMUNITY AND RETURNING

THE CROWN TO THE PRESENT HUNGARIAN GOVERNMENT, LET ME SAY THAT WE ARE AWARE FROM OUR MEETINGS AND TALKS WITH MEMBERS OF THAT COMMUNITY, THE HUNGARIAN-AMERICAN COMMUNITY, AND FROM CORRESPONDENCE FROM THEM, THAT THERE IS SOME DIVERSITY OF OPINION WITHIN THE HUNGARIAN-AMERICAN COMMUNITY ABOUT THE CROWN. THERE IS NO QUESTION OF THAT. WE DO BELIEVE, HOWEVER, THAT HUNGARIANS EVERYWHERE ARE BROUGHT TOGETHER BY THE ESTEEM IN WHICH THEY HOLD THE CROWN. THE HUNGARIAN  
UNCLASSIFIED

PAGE 04 STATE 264779

GOVERNMENT IS PREPARED TO RECEIVE THE CROWN WITH FITTING HONOR, AND WILL PUT IT ON PUBLIC DISPLAY IN BUDAPEST.

WE REALIZE ALSO THAT UNDER TRADITIONAL HUNGARIAN LAW, MONARCHS WERE RECOGNIZED AS LEGITIMATE ONLY AFTER CORONATION WITH THE CROWN OF ST. STEPHEN. HUNGARY HAS BEEN A REPUBLIC SINCE 1945, AND THE CROWN NO LONGER HAS THIS CONSTITUTIONAL SIGNIFICANCE.

Q: WHEN WAS THIS DECISION TAKEN AND WILL DELIVERY BE EFFECTIVE BY MR. VANCE, WHICH IS, I GUESS, THE FIRST QUESTION THAT MIGHT HAVE BEEN PUT.

A: LET ME MAKE ONE MORE POINT AND THEN I'LL GET TO YOUR QUESTION. WE ARE NOT RETURNING THE CROWN TO THE HUNGARIAN GOVERNMENT OR ANY INDIVIDUAL IN HUNGARY, BUT RATHER TO THE HUNGARIAN NATION AND ALL OF ITS PEOPLE.

NOW, WHAT WAS YOUR QUESTION?

Q: WHEN WAS THE DECISION TAKEN AND WILL MR. VANCE BE THE DELIVERY AGENT?

A: TO ANSWER THE LAST PART OF YOUR QUESTION FIRST, WE ARE TALKING ABOUT IT WITH THE HUNGARIAN GOVERNMENT NOW AND THERE IS NO PLAN ON TIMING YET, AS FAR AS I KNOW, FOR THE ACTUAL TRANSFER, BARRY. AS TO WHEN THE DECISION WAS MADE, I DON'T HAVE THAT FACT WITH ME, BUT I THINK I CAN PROBABLY FIND THAT OUT FOR YOU.

Q: TO WHOM DO YOU INTEND TO TURN IT OVER ON BEHALF OF THE HUNGARIAN NATION AND ALL ITS PEOPLE?

UNCLASSIFIED

PAGE 05 STATE 264779

A: TO WHOM? I THINK TO THE HUNGARIAN GOVERNMENT.

Q: YOU'VE GOT A BIT OF A PROBLEM: YOU SAY YOU'RE NOT GIVING IT TO THE GOVERNMENT, YOU'RE GIVING IT TO THE NATION, THE PEOPLE, BUT WHO IS GOING TO ACT ON THEIR BE-

HALF? IS SOME COMMUNIST CHIEF OF STATE GOING TO DO THAT

ON BEHALF OF --

A: PROBLEM. OBVIOUSLY, THERE HAS  
TO BE AN AUTHORITY IN BUDAPEST TO RECEIVE THE CROWN.

Q: A PROBLEM WHICH YOU SEEM TO BE RAISING BY TRYING TO  
COVER OVER THE FACT THAT THE COUNTRY IS RUN BY THE COMMUNIST  
BY MAKING IT SOUND AS IF YOU ARE NOT REALLY GIVING IT TO  
THEM, YOU'RE GIVING IT TO THE NATION AND THE PEOPLE; BUT  
I'M TRYING TO FIND OUT WHAT LIES BEHIND YOUR SEMANTIC  
USAGE.

A: HENRY, I WOULD BE THE LAST ONE IN THE WORLD TO TRY TO  
COVER UP THE FACT THAT HUNGARY IS RUN BY A COMMUNIST GOVERN-  
MENT.

AS I SAY, WE ARE RETURNING IT TO THE HUNGARIAN PEOPLE. I  
THINK THAT WHO RECEIVED THAT CROWN, PHYSICALLY RECEIVED IT,  
IS REALLY NOT AS IMPORTANT AS THE FACT THAT THE CROWN  
IS BEING RETURNED. IT IS GOING TO BE, BY AGREEMENT WITH  
THE HUNGARIAN GOVERNMENT, PUT ON PERMANENT PUBLIC DISPLAY,  
AND ALL HUNGARIANS WILL BE ABLE TO COME AND TO SEE IT. I  
DON'T THINK THERE IS A PROBLEM THERE.

Q: WAS THAT AGREEMENT WORKED OUT AS PART OF A DEAL THAT IT  
WOULD GO ON PUBLIC DISPLAY, THAT WE WORKED OUT AN ARRANGE-  
MENT WHEREBY IF WE GAVE IT BACK TO THEM, THEY WILL AGREE  
TO DO THAT?

UNCLASSIFIED

PAGE 06 STATE 264779

A: THERE IS NO DEAL, HENRY, OTHER THAN THAT I WOULD POINT  
OUT THAT THEY DID AGREE THAT THE CROWN WOULD BE ON PUBLIC  
DISPLAY, BUT NO DEAL HAVING WIDER RAMIFICATIONS THAN  
THAT.

Q: WILL IT GO ON DISPLAY IN THIS COUNTRY BEFORE IT GOES  
THERE, AS WELL, WHERE THE HUNGARIAN REFUGEES CAN SEE IT  
PERHAPS?

A: KEN, BEFORE YOU LEAVE, YOU HAD AN ANSWER ON THAT.  
COULD YOU REMIND ME WHAT IT IS?

MR. BROWN: WE DON'T HAVE ANY INFORMATION ON THAT.

Q: IS THERE AN ARRANGEMENT WHEREBY HUNGARIAN REFUGEES WILL  
BE ASSURED THAT THEY CAN GO BACK TO HUNGARY AND SEE THIS  
IF THEY WANT TO?

A: THAT I DON'T KNOW, DICK. THAT I DON'T KNOW. I THINK

THAT WOULD BE A MATTER FOR THE HUNGARIAN GOVERNMENT TO DECIDE.

Q: AND THE AMERICAN GOVERNMENT TO WORK OUT SINCE A LOT OF THESE PEOPLE NOW RESIDE IN THIS COUNTRY. HAS IT BEEN RAISED AT ALL?

A: DICK, I CAN CHECK THAT FACT FOR YOU. I DON'T KNOW.

Q: ARE THERE OTHER FOREIGN NATIONAL TREASURES BEING HELD IN THIS COUNTRY FROM ANY OTHER COUNTRY, THAT MIGHT BE RETURNED? IT'S A SERIOUS QUESTION.

A: WELL, JUAN, I'M NOT AN ENCYCLOPEDIA. I DON'T KNOW.  
UNCLASSIFIED

PAGE 07 STATE 264779

I CAN FIND OUT IF YOU WOULD LIKE ME TO.

Q: SPECIFICALLY, IS THERE A SIMILAR REVIEW GOING ON ABOUT THE 13 TONS OF CZECHOSLOVAK GOLD THAT THE UNITED STATES HOLDS?

A: I THINK THAT HAS BEEN TALKED ABOUT, JIM, AND RECENTLY, THAT IS TO SAY, WITHIN THE LAST TWO OR THREE MONTHS, BUT I DON'T THINK ANY CONCLUSIONS WERE ARRIVED AT.

Q: YOU SAY, "HAS BEEN TALKED ABOUT." DOES THAT MEAN THERE IS A REVIEW OF THAT QUESTION?

A: I DON'T KNOW THAT THERE IS PRESENTLY A REVIEW. I KNEW THAT WE HAD DISCUSSED IT WITH THE CZECHS WITHIN THE LAST TWO OR THREE MONTHS.

Q: JOHN, YOU REFERRED TO AN EVOLUTION OR POSITIVE DEVELOPMENT, I GUESS, POSITIVE DEVELOPMENTS IN HUNGARY. CAN YOU GIVE US ANY EXAMPLES? YOU ALSO REFERRED TO THE HELSINKI COMMUNIQUE.

A: NO. I SAID "POSITIVE DEVELOPMENTS IN OUR RELATIONS WITH HUNGARY," BARRY.

Q: WELL, CAN YOU GIVE US SOME EXAMPLES OF WHAT YOU MEAN BY THAT?

A: YES. THE DECISION IS BASED NOT ON A SINGLE EVENT, BUT ON A PATTERN OF CONSISTENT IMPROVEMENT IN BILATERAL RELATIONS WITH HUNGARY. FOR EXAMPLE, IN THE PAST YEAR, THE HUNGARIAN GOVERNMENT PAID UP TO DATE -- AND I'M NOT GOING TO HAVE A FIGURE FOR YOU HERE -- ITS ENTIRE ARREARAGE IN

ITS WORLD WAR I ERA DEBT TO THE U.S. GOVERNMENT, AND ALSO WITHIN THE PAST YEAR, THE FIRST GOVERNMENT-TO-GOVERNMENT

UNCLASSIFIED

PAGE 08 STATE 264779

AGREEMENT ON EXCHANGES IN CULTURE, EDUCATION, SCIENCE AND TECHNOLOGY WAS SIGNED. ALMOST ALL OUR FAMILY REUNIFICATION IMMIGRATION PROBLEMS WITH HUNGARY HAVE BEEN RESOLVED.

Q: DO YOU HAVE ANY IDEA HOW MANY FAMILIES?

A: NO, BUT I THINK I CAN CERTAINLY GET THIS FOR YOU. VISITS IN BOTH DIRECTIONS, THAT IS BY GOVERNMENT OFFICIALS, PARLIAMENTARIANS, PRIVATE CITIZENS, HAVE HELPED TO PUSH RELATIONS AHEAD; AND THE MOST RECENT PROMINENT EXAMPLE IS BILLY GRAHAM'S VISIT THERE, AS WELL AS CARDINAL KROL AND ARCHBISHOP BERNADINE WHO ALSO VISITED HUNGARY RECENTLY.

Q: I SUPPOSE THE STATE DEPARTMENT FEELS THAT THE CROWNS HAVE ALWAYS BELONGED TO THE HUNGARIAN PEOPLE; AND YET IT TOOK 33-34 YEARS TO RETURN THEM. HAS THERE BEEN ANYTHING INTERNALLY IN HUNGARY REGARDING HUMAN RIGHTS OR OBSERVANCE OF THE HELSINKI COMMUNIQUE THAT YOU FIND ENCOURAGING? HAS THERE BEEN A LIBERALIZATION OF THE REGIME SINCE THE HUNGARIAN REVOLUTION?

A: BARRY, I CITE- FAMILY REUNIFICATION PROBLEMS AS HAVING BEEN ALL RESOLVED.

Q: THOSE ARE BILATERAL. I WONDERED ABOUT INTERNAL MATTERS. DO YOU FIND THE KADAR REGIME MORE LIBERAL THAN PREVIOUS ONES, OR WHAT?

A: MAYBE I CAN ANSWER YOU BY RECALLING TO YOU THAT OUR GOVERNMENT HAS CONSISTENTLY SAID THAT THE CROWN IS THE PROPERTY OF THE HUNGARIAN NATION AND PEOPLE, AND THAT

UNCLASSIFIED

PAGE 09 STATE 264779

THE QUESTION OF ITS RETURN TO HUNGARY WILL BE ADDRESSED IN LIGHT OF IMPROVEMENT IN UNITED STATES-HUNGARIAN RELATIONS.

WE HAVE NEVER LINKED THE CROWN'S RETURN TO THE RESOLUTION OF ANY SPECIFIC ISSUE OR ISSUES IN BILATERAL RELATIONS OR TO ANY INTERNAL CHANGE IN HUNGARY. OBVIOUSLY, I DON'T NEED TO RESTATE OUR CONCERN FOR HUMAN RIGHTS IN HUNGARY AS WELL AS EVERYWHERE ELSE, BUT SPECIFICALLY, I'M TALKING ABOUT IMPROVEMENT IN U.S.-HUNGARIAN RELATIONS HERE.

Q: IT IS ALSO REPORTED THAT THE UNITED STATES PLANS TO

EXTEND MOST FAVORED NATION TRADE TREATMENT TO HUNGARY. I ASSUME THAT'S CORRECT?

A: MURREY, AS FAR AS I'M AWARE, WE ARE NOT NOW NEGOTIATING A TRADE AGREEMENT. I STARTED TO SAY THERE IS NO PRESENT PLAN TO NEGOTIATE ONE. WE DO BELIEVE BOTH COUNTRIES FEEL THAT IT WOULD BE IN OUR MUTUAL INTEREST TO HAVE A TRADE AGREEMENT PROVIDING FOR MFN, BUT THERE IS NO PRESENT PLAN TO NEGOTIATE ONE.

Q: YOU CITED TODAY A NUMBER OF DEVELOPMENTS THAT YOU SAID WERE IN THE PAST YEAR. WERE THESE THINGS --

A: WELL, LET ME JUST GO BACK AND CORRECT IT. WE ARE NOT NOW, AS I SAID -- NOT NOW -- NEGOTIATING SUCH AN AGREEMENT. I WILL MAKE THAT CLEAR.

Q: DOES THERE HAVE TO BE AN AGREEMENT SPECIFICALLY ON THE NEGOTIATIONS FOR THE UNITED STATES TO REQUEST THE WAIVER FROM CONGRESS FOR MFN TREATMENT?

A: I BELIEVE THERE WOULD BE, YES. BUT, OF COURSE -- YES, MURREY; I THINK YOU'RE RIGHT ABOUT THAT.  
UNCLASSIFIED

PAGE 10 STATE 264779

Q: WHAT YOU'RE SAYING IS THE UNITED STATES IS PREPARED TO EXTEND MOST FAVORED NATION TREATMENT TO HUNGARY.

A: WE FEEL THAT IT WOULD BE IN OUR INTEREST AND IN HUNGARY'S INTEREST TO HAVE AN MFN RELATIONSHIP WITH THEM INCLUDED IN TRADE AGREEMENTS.

NOW, THE JACKSON-VANIK REQUIREMENTS HAVE BEEN A STICKING POINT UP TO NOW AND THAT'S WHAT I SAY THAT WE'RE NOT NOW NEGOTIATING A TRADE AGREEMENT WITH HUNGARY.

Q: JOHN, HOW MANY OF THESE ARREARAGES --

A: WAIT A MINUTE. THERE WAS ONE OVER HERE PRIOR, I THINK.

Q: HOW MUCH WAS THE ARREARAGE THEY PAID ON THEIR WORLD WAR I DEBT?

A: I SAID I DIDN'T HAVE A FIGURE, BUT I CAN GET IT FOR YOU.

Q: WAS IT PAID WITH A DISCOUNT?

A: IT'S A GOOD QUESTION, DICK, WHICH I'LL TRY TO GET FOR YOU.

Q: IN 1917 DOLLARS IT WAS AN AUTOMATIC DISCOUNT.

(LAUGHTER.)

A: I DON'T HAVE ALL THE FACTS AND FIGURES.

Q: JOHN, CAN YOU GET US A LIST OF WHICH GROUPS OF THE  
UNCLASSIFIED

PAGE 11 STATE 264779

AMERICAN-HUNGARIAN COMMUNIST YOU TALKED TO?

A: I WILL TRY TO SEE WHAT CAN BE DONE ABOUT THAT, YES.  
I'LL TRY.

Q: O.K.

Q: ON THE DEVELOPMENT IN THE LAST YEAR  
ARE THESE THINGS THAT STARTED DURING THE PREVIOUS ADMINI-  
STRATION RATHER THAN BEING SOMETHING THAT'S DEVELOPED  
SINCE CARTER CAME INTO OFFICE?

A: YES.

Q: YOU LISTED THESE FAVORABLE DEVELOPMENTS IN RELATION.

A: I THINK IT'S FAIR TO SAY THAT THESE THINGS -- AT  
LEAST, SOME OF THEM -- CERTAINLY BEGAN BEYOND TEN MONTHS  
AGO.

Q: SO IT'S NOT SIMPLY SOMETHING THAT CAN BE ATTRIBUTED TO  
A NEW ADMINISTRATION --

A: NO.

Q: -- GETTING ALONG BETTER WITH THE HUNGARIAN GOVERNMENT.

A: NO. I DON'T THINK WE'RE MAKING THAT CLAIM. I DON'T  
THINK I MADE IT.

Q: RIGHT. O.K.

Q: JOHN, WHERE PHYSICALLY IS THE CROWN AND THE CROWN  
JEWELS NOW?

A: WELL, THE ANSWER TO THAT, JIM, GOES AS FOLLOWS:  
UNCLASSIFIED

PAGE 12 STATE 264779

THE LOCATION OF THE CROWN, SINCE IT HAS BEEN IN OUR  
POSSESSION, HAS NOT BEEN MADE KNOWN OUT OF OUR CONCERN  
TO SAFEGUARD IT; AND WE DON'T INTEND TO ALTER THAT POLICY.  
(LAUGHTER.)



Q: WILL YOU TELL MR. VANCE BEFORE HE HAS TO DELIVER THEM? (LAUGHTER)

A: I'M SURE THE SECRETARY WILL KNOW.

Q: NODDING --

A: NOW, ANY MORE ON THE ST. STEVENS CROWN -- ANYTHING AT ALL?

YES:

Q: NO, NO.

A: NEW SUBJECTS? DO YOU HAVE ANY NEW SUBJECTS:

Q: HOW DID YOU GET THEM?

A: HOW DID WE GET THE CROWN? I'VE GOT A LITTLE HISTORY I CAN RECITE TO YOU HE.

AT THE CLOSE OF THE SECOND WORLD WAR, THE CROWN WAS REMOVED BY THE HUNGARIAN CROWN GUARD --

Q: FAIR ENOUGH. (LAUGHTER)

Q: IT FIGURES.

UNCLASSIFIED

PAGE 13 STATE 264779

A: -- FROM BESIEGED BUDAPEST -- JUST TO PUT A LITTLE ALLITERATION IN FOR YOU -- AND TAKEN TO AUSTRIA, WHERE IT WAS GIVEN OVER TO ELEMENTS OF THE US ARMY FOR SAFE-KEEPING. NO OTHER -- THAT IS, NO OTHER CONDITIONS BUT SAFEKEEPING -- WERE ATTACHED TO OUR CUSTODIANSHIP, AND SINCE THAT TIME WE HAVE SAFEGUARDED IT.

JIM, THIS MAY ANSWER A LITTLE BIT FOR YOU YOUR QUESTION -- FIRST IN THE US ZONE IN GERMANY AND THEN LATER IN THE UNITED STATES.

Q: I THANK YOU.

Q: JOHN, ON ANOTHER SUBJECT --

Q: THERE WAS SOME TALK OVER THE YEARS ABOUT SOME SIX MILLION DOLLARS IN GOLD BULLION THAT'S SUPPOSED TO HAVE BEEN MISPLOADED IN THE COURSE OF THE SAFEKEEPING OPERATION. DO YOU HAVE ANYTHING ON THAT?

A: OZZIE, I DON'T, BUT WHOSE GOLD BULLION ARE YOU TALKING ABOUT?

Q: ORIGINALLY, HUNGARIAN.

A: I DON'T HAVE A THING ON THAT, NO.

Q: ON ANOTHER SUBJECT?

A: I THINK LES PRECEDED YOU, BUT'LL GET BACK TO YOU, MURREY.

END OF DISCUSSION ON CROWN.

ANSWERS TO QUESTIONS TAKEN AT NOON BRIEFING NOV 4  
UNCLASSIFIED

PAGE 14 STATE 264779

Q: CAN YOU GIVE US A LIST OF HUNGARIAN-AMERICAN GROUPS WITH WHOM YOU HAVE DISCUSBED THE RETURN OF THE CROWN?

A: OVER THE PAST YEAR, STATE DEPARTMENT OFFICERS HAVE MET WITH NEARLY 100 REPRESENTATIVES OF HUNGARIAN-AMERICAN ORGANIZATIONS FOR DISCUSSIONS CONCERNING HUNGARIAN DEVELOPMENTS AND US-HUNGARIAN RELATIONS. ALMOST INVARIABLY, THESE DISCUSSIONS HAVE INCLUDED THE SUBJECT OF THE CROWN. ALSO, WE HAVE SPOKEN AND CORRESPONDED WITH MANY OTHER GROUPS AND INDIVIDUALS CONCERNING THE CROWN. THERE ARE DIFFERING VIEWS AMONG HUNGARIAN-AMERICANS CONCERNING THE CROWN. MANY SUPPORT THE RETURN; MANY VOICE OPPOSITION. WE HAVE BEEN MADE WELL AWARE OF THE CONCERNS OF SOME HUNGARIAN-AMERICANS AND THEY WERE GIVEN FULL CONSIDERATION AS THE QUESTION OF THE CROWN WAS REVIEWED. THEIR SPECIFIC CONCERNS WERE TAKEN INTO ACCOUNT AND MANY HELPED TO SHAPE IMPORTANT ELEMENTS OF THE PLAN FOR RETURN AND DISPLAY OF THE CROWN WHICH ARE NOW BEING CONFIRMED WITH THE HUNGARIAN GOVERNMENT.

Q: HAVE HUNGARIAN REFUGEES BEEN ASSURED THAT THEY CAN RETURN TO HUNGARY TO SEE THE CROWN?

A: THE HUNGARIAN GOVERNMENT HAS TOLD US THAT THEY WILL WELCOME EVERYONE WHO WANTS TO SEE THE CROWN.

Q: HOW MUCH WAS THE WORLD WAR I DEBT ARREARAGE? WAS THERE A DISCOUNT?

A: IN DECEMBER 1976 THE HUNGARIAN GOVERNMENT PAID \$4.3 MILLION TO THE USG IN FULL PAYMENT (100 CENTS ON THE DOLLAR) OF THE ARREARAGE IN ITS WORLD WAR I ERA DEBT.  
UNCLASSIFIED

PAGE 15 STATE 264779

THE PAYMENT INCLUDED BOTH PRINCIPLE AND INTEREST IN ARREARAGE PLUS INTEREST ON ALL MONIES OVERDUE.

Q: DID THE STATE DEPARTMENT GIVE ANY ASSURANCES AT ANY RECENT POINT IN TIME THAT THE HUNGARIAN JEWELS WOULD NOT BE RETURNED?

A: THE UNITED STATES GOVERNMENT HAS NEVER GIVEN ANYONE ASSURANCES THAT WE WOULD NOT RETURN THE CROWN. ON THE CONTRARY, THE U.S. GOVERNMENT HAS CONSISTENTLY STATED THAT THE CROWN IS THE PROPERTY OF THE HUNGARIAN NATION AND PEOPLE AND THAT THE QUESTION OF ITS RETURN TO HUNGARY WOULD BE ADDRESSED IN LIGHT OF IMPROVEMENT IN US-HUNGARIAN RELATIONS.

Q; TO WHOM IN HUNGARY WILL THE CROWN BE RETURNED?

A; WE EXPECT THAT THE AMERICAN DELEGATION, LEAD BY A SENIOR USG OFFICIAL AND COMPOSED OF ADMINISTRATION OFFICIALS, PROMINENT CONGRESSMEN, SENATORS, AND PRIVATE CITIZENS, WILL, ON BEHALF OF THE PRESIDENT AND THE AMERICAN PEOPLE, PRESENT THE CROWN TO A SIMILAR HUNGARIAN DELEGATION.

SINCE OUR DELEGATION IS NOT FIXED, WE CANNOT STATE WHO WILL REPRESENT THE HUNGARIAN PEOPLE IN THE CEREMONY. THE HUNGARIANS HAVE INDICATED THAT THE SENIOR HUNGARIAN OFFICIAL WOULD BE OF A RANK APPROPRIATE TO OUR CHIEF; AND THAT THEIR DELEGATION WOULD INCLUDE PARLIAMENTARIANS, LEADERS OF WOMEN'S AND YOUTH ORGANIZATIONS, AND PROMINENT CATHOLIC, PROTESTANT AND JEWISH RELIGIOUS LEADERS.

Q: WHEN DID THE PRESIDENT REACH THE DECISION TO RETURN THE CROWN?

UNCLASSIFIED

PAGE 16 STATE 264779

A: VERY RECENTLY VANCE

UNCLASSIFIED

<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 22-Sep-1999 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CULTURAL PROPERTY, INSTRUCTIONS, NATIONAL EMBLEMS, PRESS RELEASES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 05-Nov-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE264779  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** EUR/EE:THGERTH/RN -S/PRS TEXT  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** n/a  
**Expiration:**  
**Film Number:** D770408-0202  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t197711116/baaaeufs.tel  
**Line Count:** 582  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, TEXT ON MICROFILM  
**Message ID:** 133c1a10-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 11  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 27-Jan-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 426541  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** THE CROWN OF ST. STEPHEN -NOV 4 PRESS BRIEFING AT STATE AHD FOLLOW UP Q AND A Q: THIS MORNING, IN THE HOUSE, A CONGRESSPERSON  
**TAGS:** OGEN, SOPN, HU, US  
**To:** BUDAPEST JCS DOD MULTIPLE  
**Type:** TE  
**vdkgvkey:** odb://SAS/SAS.dbo.SAS\_Docs/133c1a10-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009